



**Federal Aviation
Administration**

**Russ Chew 1-800-FAA-NEWS Phone Message
December 9, 2005**

Hello, this is Russ Chew with this week's update for December 9th.

As many of you heard, this week we announced an important step in the transition of the ATO to a more efficient organization. Early next month, we will start restructuring nine ATO service areas – three each in Terminal, En Route, and Technical Operations – into three ATO "Service Areas." At the same time, we are realigning the ATO administrative and staff support functions, now located in each of the nine service areas, into three shared "Service Centers." Related to our A-76 AFSS transition, we are also restructuring the three service areas for Flight Services into two geographic areas called "Flight Services Information Areas."

These changes mainly affect ATO employees performing administrative and staff support services; that is, the services we provide directly to ourselves, but are important in support of the services we provide to our customers. They include such areas as budgeting, administration, airspace procedures, planning, program management, finance, procurement, staffing, training, quality assurance, and NAS technical evaluation.

For some of you, this will mean personal change, though everyone affected will be offered a position. No relocations are expected before June. The restructuring will begin early in 2006 and should be completed within 12 to 18 months. ATO employees performing these services may be required to transfer, as we relocate

positions to the new ATO service area offices in the Southern, Southwest, or Northwest Mountain regional offices.

I'm sure most of you are asking yourselves – is this change really necessary? The answer is "yes." We have to do this. ATO's operating budget is growing by over six percent every year; and keep in mind that this growth is happening even though we're losing hundreds of our people every year through attrition – mainly in the non-safety workforce. We simply do not have the budget to replace them. We must change the way we work, or the ATO will not have the financial health to keep providing the safety services that our customers want and our owners expect. But just as important, our ability to take care of our employees – in things like training, recognition, and rewards -- will just continue to get worse.

This restructuring is aimed at reducing administrative and staff support services that overlap in our separate regional service units; and through this, we can reduce ATO operating costs by \$360 to \$460 million over the next ten years. But this will be tough. Without question, everyone knows there is no quick and easy solution. But we must stop the slow, unplanned erosion of our numbers every year in reaction to the budget. I hope that you can see that this is a decisive step to start taking charge of our own future.

I know this is a lot to absorb, and there are many, many more details you'll need to know. We are going to answer all of your questions over the months ahead; and ATO executives and members of the Transition Team were out in the field this week talking to our employees there. Human Resource Management staff will also be conducting briefings to help everyone better understand their options. More information is available on the ATO website (www.ato.faa.gov).

I want to thank you for your patience as we made our way through this process to reach this point, and it's been especially rough on our ATO folks who work in the regions. Through it all, you have kept your focus on what the ATO is all about – the safety and efficiency of our national airspace system.

We are entering the next critical phase of ATO restructuring. In the end, it will improve our organizational effectiveness, increase the value of our services, reduce our overall unit costs, and help us to preserve what I know we're all dedicated to -- our reputation as the best air traffic system in the world.

This week I had the opportunity to visit with the Financial Systems and Performance Reporting office within ATO-Finance. I was briefed on efforts to report timely and accurate financial and performance data to our managers and executives. I met with the team developing financial and business metrics and reports, and heard about challenges we face -- because we don't own or control most of the systems we depend on for our budget and spending data. This is a very important area for us, and my thanks go to these folks for putting in the long hours so that, in the end, we can push budget and spending authority, responsibility, and accountability down to the field and facility level in the evolving ATO organization.

Finally, it's always rewarding for me when I can recognize employees for their outstanding contributions. Our 'Small Aircraft Transportation System' Project, known as SATS, received NASA's 'Turning Goals into Reality' Award for outstanding contributions and exceptional progress made in aeronautics and aerospace technology. The SATS vision is to allow on-demand point-to-point personal and business air travel, by expanding near all-weather access to more than 3,400 small, under-used community airports. The SATS project is a cost shared public-private partnership between NASA, the FAA, and the National Consortium for Aviation Mobility. Congratulations to Pete McHugh, from Operations Planning at the Tech Center (who is now on detail as the Senior Aviation Advisor in Iraq), and congratulations to the entire team -- I appreciate your dedication to our service.

That's it for this week. Thanks for listening, and I'll talk to you again next week.